

IN THE CLAIMS:

1. (Currently Amended) A method for producing magnetic heads, comprising the steps of:
 - forming a lower non-magnetic film over a substrate;
 - forming a lower gap film over the lower non-magnetic film;
 - forming a flux guide and an MR element;
 - forming an upper gap film over the flux guide and MR element;
 - cutting the formed assembly into head element units;
 - machining the cut surface into an air bearing surface as [[the]]a basic surface to be opposite a magnetic recording medium; and
 - forming magnetic shields wherein at least [[the]]a magnetic shield part is formed on the basic surface of the magnetic head opposite the medium, and [[the]]a height of the magnetic shields is less than [[the]]a distance from the air bearing surface to the MR element.
2. (Currently Amended) The production method of Claim 1, further comprising the steps of:
 - forming a non-magnetic gap layer over the magnetic shields; and
 - forming a recording head by a planar process, wherein said recording head and a reproducing head are separated by a non-magnetic gap layer, and wherein the magnetic shields of said reproducing head are formed along the basic surface of the magnetic head opposite the medium~~includes a pair of magnetic poles via the gap layer wherein the magnetic shields are formed separated by the non-magnetic layer from the recording head.~~
3. (Cancelled).
4. (New) The method for producing magnetic heads of Claim 1, further comprising the steps of:
 - forming the MR element and a main part of the flux guide, wherein an end of the flux guide is magnetically connected to the MR element;

machining the cut surface into the basic air bearing surface opposite the medium on which the other end of the flux guide faces; and

fabricating at least the magnetic shield part and the flux guide tip by a planar process so as to be exposed on the final air bearing surface, wherein the height of the magnetic shield is less than the distance from the air bearing surface to the MR head, and the flux guide tip is connected to the main part of flux guide and is separated from the magnetic shields by a gap or a non-magnetic material.